*Single Family Housing Policy Handbook* (HUD Handbook 4000.1)

# FHA Connection System Updates

Computerized Home Underwriting Management System (CHUMS) and FHA Connection

*Last Updated:  June 30, 2015*

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# 1. Case Number Assignment Screen

## 1.1 Data Field Updates

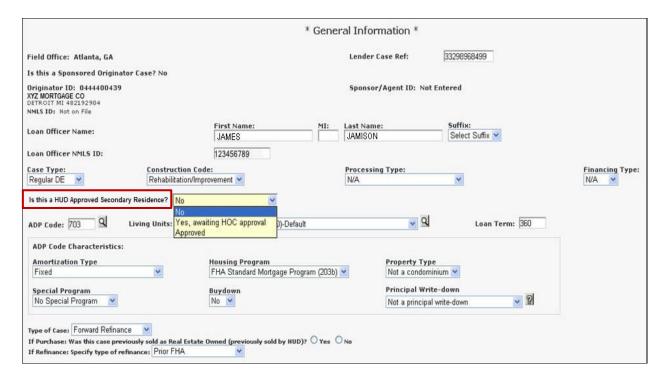| Data Field Name | Change Type | Field Type | Values | Rules/Notes |
|---|---|---|---|---|
| Is this a HUD Approved Secondary Residence? | New Field | Dropdown | No  (DEFAULT)<br>Yes, awaiting approval<br>Approved | 1. Lenders can only select "No" or "Yes, awaiting approval";<br>2. HOC authorized user is the only person able to select "Approved";<br>3. Once Approved, the field is protected and only the HOC authorized user can change it;<br>4. Status must be set to "Approved" before the case can be insured' |
| 203k Type | New Field | Dropdown | N/A  (DEFAULT)<br>Limited<br>Standard | 1. Type must be selected when construction code is "Substantial Rehabilitation"<br>2. "N/A" must be selected when construction code is not "Substantial Rehabilitation"<br>3. B2G interface will populate "Standard" when a valid Consultant ID is entered and populate "Limited" when the Consultant ID is "203KS". |
| 203k Consultant ID | Existing Field with modified Rule/Edits | Data Entry | Valid 203k Consultant ID, "203KS", or blank | 1. If 203k Type = Limited, the 203k Consultant ID can be "203KS", a valid 203k Consultant ID, or blank.<br>2. If 203k Type = Standard, 203k Consultant ID must be a valid 203(k) Consultant ID. |
| (a) Select FHA to FHA refinance type | Modified Field Name<br>New dropdown options | Dropdown | Not Streamline – N/A<br>Streamline (w/o Appraisal)<br>Simple (w/ Appraisal) | 1. "Select Streamline refinance type" in the "All Refinances" section of the Case Number Assignment screen will be modified to "Select FHA to FHA Refinance Type"<br>2. B2G interface will populate "Simple (w/ Appraisal)" utilizing existing Streamline type of "Appraisal Required" identification |

| Data Field Name | Change Type | Field Type | Values | Rules/Notes |
|---|---|---|---|---|
| If Refinance: Specify type of Refinance: | Modified dropdown options displayed | Dropdown | Not a Refinance<br>Prior FHA<br>Conventional | 1. "Conventional – Delinquent" type removed for new cases |

## 1.2 Updated Case Number Assignment Screen Shots
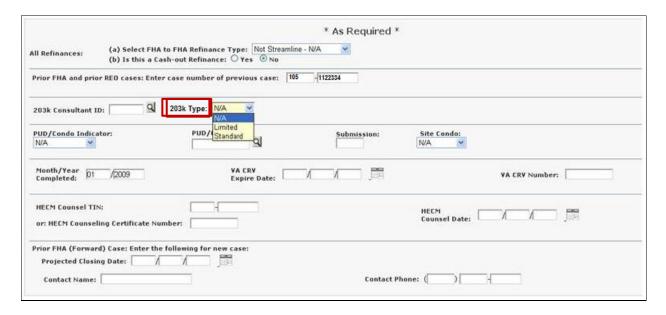
### 1.2.1 HUD Approved Secondary Residence

- New dropdown for HUD Approved Secondary Residence
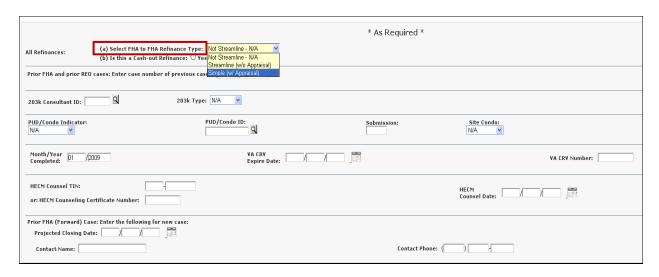
### 1.2.2   203k Type

- New dropdown for 203k Type



### 1.2.3   Refinances

#### 1.2.3.1   All Refinances type
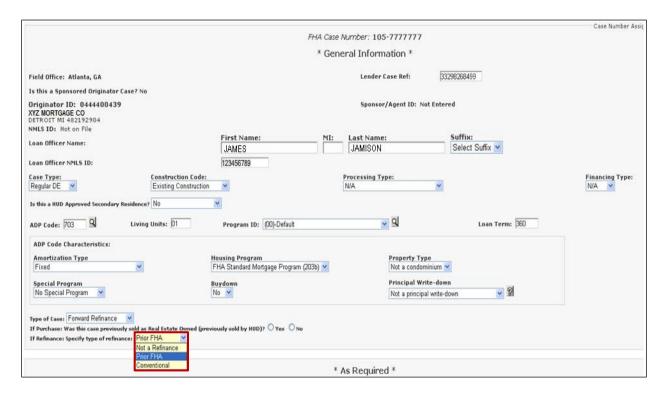
- Change Existing All Refinances Type Label to:  (a) Select FHA to FHA refinance type
- Change Dropdown options

### 1.2.3.2  Refinance Type Dropdown

- Remove "Conventional Delinquent" from "If Refinance:  Specify type of refinance" dropdown  for new cases

## 2. Appraisal Logging Screen

## 2.1 Data Field Updates

| Data Field Name | Change Type | Field Type | Values | Rules/Notes |
|---|---|---|---|---|
| Price of Prior Sale/Transfer | Modified Rule | Data Entry | User entered numeric data | 1. For Price of Prior Sale/Transfer on Appraisal Logging continue to not allow zero to be entered for Refinance or Purchase (currently in Production) |
| Was prior sale/transfer a result of family gift or inheritance? | New Field | Dropdown | N/A (DEFAULT) Yes No | 1. Only for Refinance transactions where the property was acquired within the last 12 months 2. If dropdown selection is "No", user must enter Cost of Improvements Made Subsequent to Prior Sale (except for 203(k) refinance); 3. If property was acquired from an inheritance or gift from Family, user should enter "Yes" to this question. |
| Cost of Improvements Made Subsequent to Prior Sale | New Field | Data Entry | User entered numeric data | 1. Only for Refinance transactions where the property was acquired within the last 12 months 2. If prior sale/transfer a result of family gift or inheritance is "No", amount must be a valid numeric value. Zero is acceptable. 3. Used in determination of Adjusted Value for Refinance transactions; |
| Borrower Paid Appraiser Required Repairs | New Field | Data Entry | User entered numeric data PIC 9(5) | 1. Optional entry field for Purchase only. 2. Used in calculating the Maximum Mortgage Amount. |

| Data Field Name | Change Type | Field Type | Values | Rules/Notes |
|---|---|---|---|---|
| Flipping Exemption Reason | New Field | Dropdown | <Not Selected> <br><br> Properties acquired by an employer or relocation agency <br><br> Sales by other U.S. Government agencies <br><br> Sales by HUD approved Nonprofits <br><br> Sales acquired by the seller through inheritance <br><br> Sales by federally-chartered institutions and GSEs <br><br> Sales by local/state government agencies <br><br> Sales in Presidentially-Declared Major Disaster Area | 1. Used to identify a valid exemption to the flipping rule. <br> 2. Will be triggered on purchase transactions subject to the 90 day or 91-180 day flipping rule. |

## 2.2 Updated Appraisal Logging Screen Shots

### 2.2.1 Appraisal Logging Update Screen - Purchase Case

- Showing a new field: "Borrower Paid Appraiser Required Repairs"

### 2.2.2 Appraisal Logging Update Screen - Refinance Cases

Showing two new fields and statement when these fields are required:

For Refinance transactions only where the property was acquired in last 12 months:
- Was prior sale/transfer a result of family gift or inheritance?
- Cost of Improvements made subsequent to Prior Sale

### 2.2.3 Appraisal Logging Update Screen - 0-90 day flipping case

- Showing the new Flipping Exemption Reason dropdown field

FHA Case Number: 105-3333333

\* Property Information \*

Address: 4703 ANYTOWN DR, DECATUR, GA 300340000

PUD: ○Yes ●No

Construction Code: Existing Construction ▼

Year Built: 01 /1977

Effective Age: 20

\* Property Flipping \*

Property Subject to 90-Day Flipping Rule

Flipping Exemption Reason: Select Reason ▼ ← new field

Select Reason
Properties acquired by an employer or relocation agency
Sales by other U.S. Government agencies
Sales by HUD approved Nonprofits
Sales acquired by the seller through inheritance
Sales by federally-chartered institutions and GSEs
Sales by local/state government agencies
Sales in Presidentially-Declared Major Disaster Area

Appraiser (State Certificate ...                    f Appraisal Update:

ID:

Name:

Certify subject property did not decline in value ☐

### 2.2.4  Appraisal Logging Update Screen - 91-180 day flipping case

- Showing the new Flipping Exemption Reason dropdown field

FHA Case Number:  105-9999999

\* Property Information \*

Address:  4324 ANYTOWN TRL, SNELLVILLE, GA 300390000

PUD: ○Yes ●No

Construction Code:  Existing Construction

Year Built: 01 /1980

Effective Age: 5

\* Property Flipping \*

Property Subject to Greater Than 90-Day Flipping Rule

Flipping Exemption Reason:    Select Reason    ← new field

Select Reason
Properties acquired by an employer or relocation agency
Sales by other U.S. Government agencies
Sales by HUD approved Nonprofits
Sales acquired by the seller through inheritance
Sales by federally-chartered institutions and GSEs
Sales by local/state government agencies
Sales in Presidentially-Declared Major Disaster Area

Appraiser (State Certificate (        f Appraisal Update:

ID:

Name:

Certify subject property did not decline in value ☐

## 3. Insurance Application

## 3.1 Data Field Updates

| Data Field Name | Change Type | Field Type | Values | Rules/Notes |
|---|---|---|---|---|
| 203k Type | New Field | Dropdown | N/A (DEFAULT)<br>Limited<br>Standard | 1. The 203k Type field will be pre-populated from the value entered at Case Number Assignment<br>2. May be edited<br>3. Type must be selected when construction code is "Substantial Rehabilitation"<br>4. "N/A" must be selected when construction code is not "Substantial Rehabilitation" |
| Is this a HUD Approved Secondary Residence? | New Field | Dropdown | No (DEFAULT)<br>Yes, awaiting approval<br>Approved | 1. The value is preloaded from the entry on Case Number Assignment.<br>2. May be edited<br>3. Lenders can only select "No" or "Yes, awaiting approval";<br>4. HOC authorized user is the only person able to select "Approved";<br>5. Once Approved, the field is protected and only the HOC authorized user can change it;<br>6. Status must be set to "Approved" before the case can be insured'<br>7. LTV is limited to 85%. |
| 203k Consultant ID | Existing Field with modified Rule/Edits | Data Entry | Valid 203k Consultant ID, "203KS", or blank | 1. The value is preloaded from the entry on Case Number Assignment.<br>2. If 203k Consultant ID is "203KS", then the 203k Type must be Limited.<br>3. If 203k Consultant ID is a valid 203k Consultant ID and not "203KS", the 203k Type can be Limited or Standard.<br>4. May be edited |

| Data Field Name | Change Type | Field Type | Values | Rules/Notes |
|---|---|---|---|---|
| Refinance Type | New dropdown options | Dropdown | Not Streamline – N/A<br>Streamline (w/o Appraisal)<br>Simple (w/ Appraisal) | 1. Modified to display the new dropdown options selected on the Case Number Assignment screen<br>2. Simple Refinance type applies reduced MIP when refinancing an existing FHA loan that was endorsed on or before 05/31/2009.<br>3. SIMPLE must be scored in TOTAL Scorecard. |
| Solar/Wind | Modified Label | Radio Button | Yes<br>No  (DEFAULT) | 1. The existing Y/N radio button "Solar" on the Insurance Application will be changed to "Solar/Wind" |
| Solar/Wind Amount | New Field | Data Entry | User entered numeric data | 1. If Solar/Wind is "Yes", Solar/Wind amount must be entered.<br>2. If Solar/Wind is "No", Solar/Wind amount must be zero.<br>3. Adjusted Value is computed without the cost of the Solar/Wind<br>4. LTV factor is applied to Adjusted Value without Solar/Wind amount to determine Base Loan Amount.<br>5. The Base Loan Amount before adding any solar wind improvements cannot exceed the Nationwide Mortgage Limit<br>6. The financeable amount for Solar/Wind improvements is the lesser of:<br>   • the cost and installation of the solar or wind technology system  - or<br>   • 20% of the Property Value<br>7. The financeable amount for Solar/Wind improvements is added to the Base Loan amount<br>8. The combined Base Loan Amount plus the financeable Solar/Wind amount cannot be greater than 120% of the Nationwide Mortgage Limit |

| Data Field Name | Change Type | Field Type | Values | Rules/Notes |
|---|---|---|---|---|
| | | | | 9. MIP LTV which is used to determine the MIP Factors is calculated using the Base Loan Amount with Solar/Wind amount included<br>10. UFMIP is calculated and Annual MIP is calculated using the Base Loan Amount with Solar/Wind amount. |
| Weatherization | New Field | Radio Button | Yes<br>No (DEFAULT) | |
| Weatherization Amount | New Field | Data Entry | User entered numeric data | 1. If "Weatherization" is "Yes", an amount must be entered.<br>2. If "Weatherization" is "No", amount must be zero.<br>3. If amount is between $2,001 - $3,500, then issue warning that Value Determination must be made by an approved FHA Roster appraiser or DE underwriter;<br>4. If amount > $3,500, then issue warning that Value Determination must be made by an approved FHA Roster appraiser or DE underwriter AND a separate on-site inspection was made by an approved FHA Roster appraiser or DE underwriter;<br>5. Amount is added to both the Sales Price and Property Value(Purchase) and to the Property Value (Refinance) when computing the Adjusted Value<br>6. MIP is based on Loan Amount with Weatherization amount.<br>7. LTV is calculated without Weatherization amount. |
| Escrow Data<br>Escrow:<br><br>(203k/EEM/Repair Solar/Wind Weatherization) | Modified Label | Radio Button | Yes<br>No | 1. Solar/Wind and Weatherization added to label for Escrow<br>2. "Escrow Data/Escrow:" must be "Yes" for 203k case. |
| Interested Party Contributions (%) | Modified Label and Field | Data Entry | User entered numeric data | 1. The existing field, "Seller Concession (%)", on the Insurance Application screen will |

| Data Field Name | Change Type | Field Type | Values | Rules/Notes |
|---|---|---|---|---|
|  | Definition Change |  |  | be changed to "Interested Party Contributions (%)". <br> 2. Two decimal places will be added to the existing % field and collected with this change |
| Interested Party Contributions Amount | Modified Label | Data Entry | User entered numeric data | 1. The existing field, "Seller Concession Amount", on the Insurance Application screen will be changed to "Interested Party Contributions Amount". |
| Inducements to Purchase | New Field | Data Entry | User entered numeric data | 1. A new amount field, "Inducements to Purchase", will be added to the Insurance Application screen. <br> 2. Fields will be defined as 5 digit numeric field (Dollars only, no cents). |
| Adjusted Value | New Field | System Calculated Display Only |  | 1. A new field, Adjusted Value, will be added to the Insurance Application screen <br> 2. Purchase: Adjusted Value is the lesser of Purchase Price less any inducements to purchase plus Borrower Paid Required Repairs OR the Property Value. <br> 3. Refinance, Properties acquired by the Borrower within 12 months of the Case Number Assignment date: Adjusted Value is the lesser of the Purchase Price plus any documented improvements made subsequent to the purchase OR the Property Value. <br> 4. Refinance, Properties acquired by the Borrower within 12 months of case number assignment by inheritance or through a gift from a Family Member: May utilize the calculation of Adjusted Value for properties purchased 12 months or greater. <br> 5. Refinance, Properties acquired by the Borrower greater than or equal to 12 months prior to the case number assignment date: Adjusted Value is the |

| Data Field Name | Change Type | Field Type | Values | Rules/Notes |
|---|---|---|---|---|
| | | | | Property Value.<br>6. Once Adjusted Value is calculated using the appropriate bullet above the Weatherization Amount is added to the resultant value. |
| Borrower Paid Appraiser Required Repairs | New Field | Display Only | Value retrieved from Appraisal Logging | 1. A new Display field, "Borrower Paid Required Repairs"<br>2. Only applicable for Purchases;<br>3. Value comes from Appraisal Logging; Modifications must be made on Appraisal Logging screen.<br>4. Display only field on Insurance Application, not editable |
| CLTV Total (%) | Modified Label and Rule/Edit Change | System Calculated<br><br>Display Only<br><br>For Cases Assigned on/after 9/14/2015 | | 1. The existing field, CLTV (%), on the Insurance Application will be modified to CLTV Total (%).<br>2. Computed for all cases assigned on or after 09/14/15, includes the sum of amounts from all secondary finance entries;<br>3. CLTV Total (%) = Base Mortgage Amount (Mortgage Amt. not including financed UFMIP)<br>Plus the Sum of all Secondary Financing Amounts<br>Divided by the Adjusted Value<br>4. Continue to allow user entry for cases assigned prior to 09/14/15 |
| CLTV Subject to Limit (%) | New Field | System Calculated<br><br>Display Only<br><br>For Cases Assigned on/after 9/14/2015 | | 1. A new field, CLTV Subject to Limit (%), will be added to the Insurance Application<br>2. Computed for all cases assigned on or after 09/14/15, using only secondary finance types that are subject to CLTV limits e.g. Private Individuals and other Organizations<br>3. CLTV (%) Subject to Limit = Base Mortgage Amount (Mortgage Amt. not including financed UFMIP)<br>Plus the sum of any Secondary Financing Amounts from sources subject to CLTV limits |

| Data Field Name | Change Type | Field Type | Values | Rules/Notes |
|---|---|---|---|---|
| | | | | Divided by the Adjusted Value |
| QM Points and Fees | New Field | Data Entry | User entered numeric data | 1. A new field, QM Points and Fees will be an optional field collected on the Insurance Application for Forward mortgages only. |

## 3.2 Updated Insurance Application Screen Shots

### 3.2.1  Insurance Application General Information Section:



- HUD Approved Secondary Residence Examples:
  Initial Lender view:



- Initial HOC super user view:

- Lender View after HOC approval:



- Refinance Type showing Simple with Appraisal:

### 3.2.2 Insurance Application Worksheet Information Section:

### 3.2.3  Insurance Application Mortgage Information Section



**Note:**  For Cases assigned on or after 09/14/15, CLTV Total (%) and CLTV Subject to Limit (%) will be system calculated, output only.  For cases assigned prior to 09/14/15, data entry is allowed for CLTV Total (%) only, CLTV Subject to Limit (%) is not applicable.

## 4. EEM Calculator

### 4.1 Data Field Updates

| Data Field Name | Change Type | Field Type | Values | Rules/Notes |
|---|---|---|---|---|
| Adjusted Value | New Field – Required if Case Number entered has not gone through Insurance Application and a calculated Adjusted Value is not available. | Data Entry | PIC 9(7) or 9,999,999 (Dollars only, no cents) | 1. Purchase:  Adjusted Value is the lesser of Purchase Price less any inducements to purchase plus Borrower Paid Required Repairs OR the Property Value. <br> 2. Refinance, Properties acquired by the Borrower within 12 months of the Case Number Assignment date:  Adjusted Value is the lesser of the Purchase Price plus any documented improvements made subsequent to the purchase OR the Property Value. <br> 3. Refinance, Properties acquired by the Borrower within 12 months of case number assignment by inheritance or through a gift from a Family Member: May utilize the calculation of Adjusted Value for properties purchased 12 months or greater. <br> 4. Refinance, Properties acquired by the Borrower greater than or equal to 12 months prior to the case number assignment date:  Adjusted Value is the Property Value. <br> 5. REO:  If no appraisal, Adjusted Value = Sales Price; Otherwise, Adjusted Value = lesser of Sales Price or Appraised Value. |

## 4.2 EEM Calculator Screen Shots

### 4.2.1 EEM Calculator Current Screen Shot



### 4.2.2 EEM Calculator Revised Screen Shot

- With "Adjusted Value" input field



# 5. Case Query

## 5.1 Data Field Updates

| Data Field Name | Change Type | Field Type | Values | Rules/Notes |
|---|---|---|---|---|
| Case Type | Existing Field | Display Only | Display SIMPLE REFI | 1. The field display SIMPLE REFI instead of STRMLIND REFI when case type is SIMPLE REFI. |

## 5.2 Updated Case Query Screen Shot

- Case Type showing new value: SIMPLE REFI

**Case Query Results**

**Help Links** ?

**Other Functions**

✔ SUCCESS

CASE QUERY SUCCESSFULLY COMPLETED
ALL BORROWERS PASSED SSN VALIDATION -NAME, SSN OR DOB CHANGES WILL
REVALIDATE

| | | | |
|---|---|---|---|
| FHA Case Number: | 446-1111111 | | |
| Borrower Name: | PATRICKS, PAT | | |
| Property Address: | 333 ANYTOWN CT | | |
| | LANDSDALE PA 184460000 | | |

| | | | |
|---|---|---|---|
| Originator Name: | XYZ MORTGAGES | | |
| Case Type: | DIRECT ENDORSEMENT SIMPLE REFI (ADP Code 703) | | |
| Endorsement Processed by: | N/A | Binder Status: | NOT REQUESTED |
| Appraiser License: | | Case Number Assigned Date: | 05/16/14 |
| Appraiser Name: | | Appraisal Logged Date: | |
| Closing Package Received Date: | | Appraisal Update Processing Date: | |
| Insurance Date: | | Closing Date: | |
| Upfront MIP Due: | | Upfront MIP Received Date: | |
| Upfront MIP Received: | $0.00 | Upfront MIP Late Due? | No |
| Upfront MIP Factor: | 1.750% | Annual MIP Factor: | TBD |
| Original Property Value: | $308,775.00 | TOTAL Score Processed: | No |
| Loan Term: | | Mortgage Amount: | |
| Prior Loan Before 7/1/91? | No | Refi Auth No: | 8879520140516 |
| Last Action Date: | 05/16/14 | Principal Reduction: | |
| Last Action: | APRSL REQD | | |
| Preprocessing Reject: | | | |
| Uninsurable Location: | | | |
| Uninsurable Property: | | | |
| NOR Comments: | | | |